



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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WENDY L. WATANABE
AUDITOR-CONTROLLER

May 7, 2013

TO: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe
Auditor-Controller

A handwritten signature in blue ink, reading "Wendy L. Watanabe", is written over the printed name and title.

SUBJECT: **SPIRITT FAMILY SERVICES – A DEPARTMENT OF MENTAL HEALTH
CONTRACT SERVICE PROVIDER – CONTRACT COMPLIANCE
REVIEW – FISCAL YEAR 2011-12**

We completed a contract compliance review of Spiritt Family Services (Spiritt or Agency), which included a sample of billings from November and December 2011. The Department of Mental Health (DMH) contracts with Spiritt to provide mental health services, including interviewing Program clients, assessing their mental health needs, and implementing treatment plans. The purpose of our review was to determine whether Spiritt provided the services and maintained proper documentation, as required by their County contract.

DMH paid Spiritt approximately \$500,000 on a cost-reimbursement basis for Fiscal Year 2011-12. The Agency provides services in the First Supervisorial District.

Results of Review

Spiritt's staff had the required qualifications to provide DMH Program services, and the billings were adequately supported. However, Spiritt needs to improve the quality of documentation in their Assessments, Client Care Plans, Progress Notes, and Informed Consents to fully comply with their DMH contract. Specifically, Spiritt:

- Did not adequately describe the clients' symptoms and behaviors to support the diagnosis in 23 (96%) of the 24 Assessments reviewed.

- Did not develop specific objectives in the Client Care Plans for 21 (88%) of the 24 cases reviewed.
- Did not describe what the clients or service staff attempted and/or accomplished towards the clients' goals on 14 (78%) of the 18 Progress Notes reviewed.
- Did not obtain and document Informed Consents for two (22%) of the nine clients reviewed, who received treatment with psychotropic medication.

Details of our review, along with recommendations for corrective action, are attached.

Review of Report

We discussed our report with Spiritt and DMH. Spiritt's attached response indicates that they agree with our findings and recommendations. Spiritt will provide their corrective action plan directly to DMH, who will work with Spiritt to ensure our recommendations are implemented.

We thank Spiritt management for their cooperation and assistance during our review. Please call me if you have any questions, or your staff may contact Don Chadwick at (213) 253-0301.

WLW:AB:DC:EB

Attachment

c: William T Fujioka, Chief Executive Officer
Dr. Marvin J. Southard, Director, Department of Mental Health
Roger Stoltenberg, Chair/President, Board of Directors, Spiritt
Elvia Torres, Executive Director, Spiritt
Public Information Office
Audit Committee

**SPIRITT FAMILY SERVICES
DEPARTMENT OF MENTAL HEALTH
FISCAL YEAR 2011-12**

BILLED SERVICES

Objective

Determine whether Spiritt Family Services (Spiritt or Agency) provided the services billed in accordance with their Department of Mental Health (DMH) contract.

Verification

We selected 27 billings, from 349 approved Medi-Cal claims for November and December 2011, which were the most current billings available at the time of our review (September 2012). We reviewed the Assessments, Client Care Plans, and Progress Notes in the clients' charts for selected billings. In addition, we evaluated the quality of documentation within each chart. The 27 billings represent services provided to 24 clients.

Results

Spiritt maintained documentation to support the billed services. However, the Agency needs to improve the quality of documentation in their Assessments, Client Care Plans, Progress Notes, and Informed Consent.

Assessments

Spiritt did not adequately describe the clients' symptoms and behaviors consistent with the Diagnostic and Statistical Manual of Mental Disorder (DSM) to support the diagnosis in 23 (96%) of the 24 Assessments reviewed. The DSM is a handbook published by the American Psychiatric Association for mental health professionals, which lists different categories of mental disorder and the criteria for diagnosing them. The DMH contract requires the Agency to follow the DSM when diagnosing clients.

Client Care Plans

Spiritt did not complete some elements of 21 (88%) of the 24 Client Care Plans reviewed in accordance with their DMH contract. Specifically, the Agency did not develop specific objectives for mental health and medication goals. There were similar problems with the Client Care Plans in our previous monitoring report.

Progress Notes

Spiritt did not complete 14 (78%) of the 18 Progress Notes for Mental Health Services reviewed in accordance with their DMH contract. Specifically, the Progress Notes did

not describe what the clients or service staff attempted and/or accomplished towards the clients' goals.

Informed Consent Forms

Spiritt did not document Informed Consent for two (22%) of the nine clients reviewed who were treated with psychotropic medication. Informed Consent forms document the clients' agreement to a proposed course of treatment based on receiving clear, understandable information about the treatments' potential benefits and risks.

Recommendations

Spiritt management:

1. **Ensure that Assessments, Client Care Plans, and Progress Notes are completed in accordance with their DMH contract.**
2. **Ensure that Informed Consent for medication services is obtained and documented in the client's chart.**

STAFFING QUALIFICATIONS

Objective

Determine whether Spiritt's treatment staff had the required qualifications to provide the services.

Verification

We reviewed the California Board of Behavioral Sciences' website and/or the personnel files for seven of the ten treatment staff who provided services to DMH clients.

Results

Each employee reviewed had the qualifications required to provide the services billed.

Recommendation

None.

PRIOR YEAR FOLLOW-UP

Objective

Determine the status of the recommendations reported in the prior Auditor-Controller monitoring review.

Verification

We verified whether Spiritt implemented the one program recommendation from the June 8, 2009 monitoring review.

Results

Spiritt had not implemented the one program recommendation from the prior monitoring report for fiscal year 2007-08. As previously indicated, the outstanding finding related to Recommendation 1 regarding complete Client Care Plans.

Recommendation

Refer to Recommendation 1.



SPIRITT
Family Services
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February 25, 2013

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Wendy L. Watanabe
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County of Los Angeles Department of Auditor-Controller
Kenneth Hahn Hall of Administration
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Dear Ms. Watanabe:

On behalf of SPIRITT Family Services, I thank you and your office for taking the time to review SPIRITT's mental health charts and provide feedback on how SPIRITT can continue to improve documentation of services provided to children and youth in need of mental health services. We recognize the standard has changed since our last auditor controller audit in July 2009. SPIRITT will make the recommended changes to ensure that the County's standards and obligations are met.

SPIRITT's corrective action plan will include mandatory training for all staff on assessment, diagnosis, treatment planning and progress note writing. SPIRITT has also hired an outside Quality Assurance Manager to help the agency improve its quality assurance systems.

We are confident these changes will bring significant improvement. Again, we thank you for commitment to ensuring optimal services.

Sincerely,



Elvia Torres
Executive Director